

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO JORDAN



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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO JORDAN



Issuance Date: June 13, 2002
Deadline for Question: July 3, 2002
Closing Date: July 31, 2002
Closing Time: 12:00 Noon Jordan
Time

Subject: Request for Applications (RFA) Number Lebanon-02-010
Expanding Economic Opportunities

The United States Agency for International Development (USAID) Mission in Lebanon is seeking applications from U.S. organizations for funding a program for expanding economic opportunities. The authority for the RFA is found in the Foreign Assistance Act of 1961, as amended.

The Recipient will be responsible for ensuring achievement of the program objective to implement the rural and industry cluster and credit components of USAID/Lebanon's "Expanded Economic Opportunities" Strategic Objective (SO1). Please refer to the Program Description for a complete statement of goals and expected results.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for-profit organizations), may be paid under the grant.

Subject to the availability of funds, USAID intends to award one or more CAs to implement this program over a 36-month period, beginning o/a October 1, 2002. USAID intends to provide approximately \$45,000,000.00 in total USAID funding to be allocated over the 3-year period. USAID reserves the right to fund any or none of the applications submitted.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

1. Section A - Grant Application Format;
2. Section B - Selection Criteria;
3. Section C - Program Description;
4. Section D - Certifications, Assurances, and Other Statements of Applicant/Grantee;
5. Section E - Standard Provisions;
6. Section F - Standard Provisions for activities outside of USA
7. Section G - As Applicable Standard Provisions

For the purposes of this RFA, the term "Grant" is synonymous with "Cooperative Agreement"; "Grantee" is synonymous with "Recipient"; and "Grant Officer" is synonymous with "Agreement Officer".

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If you decide to submit an application, it should be received by the closing date and time indicated at the top of this cover letter at the place designated below for receipt of applications. Applications and modifications thereof shall be submitted in envelopes with the name and address of the applicant and RFA # Lebanon-02-010 inscribed thereon, to:

(By U.S. Mail)
Regional Contracting Office
American Embassy/Jordan
USAID Unit 70206
APO AE 09892-0206

(By All Other Means of Delivery)
Regional Contracting Office
American Embassy/Jordan
P.O. Box 354
Amman 11185 Jordan
Tel: 592-0101, Ext. 2666

Applicants are requested to submit both technical and cost portions of their applications in separate volumes. Award will be made to that responsible applicant(s) whose application(s) offers the greatest value.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. Further, the Government reserves the right to reject any or all applications received. In addition, final award of any resultant grant(s) cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award. Applications are submitted at the risk of the applicant; should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the applicant's expense.

The preferred method of distribution of USAID procurement information is via the Internet. This RFA and any future amendments can be downloaded from the Agency Web Site. The World Wide Web Address is <http://www.usaid.gov>. Select Business and Procurement from the home page, then "USAID Procurements". On the following screen, select "Download Available USAID Solicitations". Receipt of this RFA through INTERNET must be confirmed by written notification to the contact person noted below. It is the responsibility of the recipient of the application document to ensure that it has been received from INTERNET in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes.

In the event of an inconsistency between the documents comprising this RFA, it shall be resolved by the following descending order of precedence:

- (a) Section B - Selection Criteria;
- (b) Section A - Grant Application Format;
- (c) the Program Description;
- (d) This Cover Letter.

Any questions concerning this RFA should be submitted in writing to Rima A. Kayyal, via facsimile at 962-6-592-1535 or via internet at rkayyal@usaid.gov by July 3, 2002. If there are problems in downloading the RFA off the INTERNET, please contact the USAID INTERNET Coordinator on (202) 712-4442. Applicants should retain for their records one copy of all enclosures, which accompany their application.

Sincerely,

Aman Djahanbani

Aman S. Djahanbani
Regional Agreement Officer

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SECTION A - GRANT APPLICATION FORMAT

PREPARATION GUIDELINES

- a. All applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Section B addresses the technical evaluation procedures for the applications.
- b. Applications shall be submitted in two separate parts: (a) technical and (b) cost or business application. Technical portions of applications should be submitted in an original and 4 copies and cost portions of applications in an original and 1 copy. Font used for both technical and cost applications should be **Times New Roman 12**.
- c. The application should be prepared according to the structural format set forth below. Applications must be submitted no later than the date and time indicated on the cover page of this RFA, to the location indicated on page 2 of the cover letter accompanying this RFA. Applications which are submitted late or are incomplete run the risk of not being considered in the review process.
- d. Technical applications should be specific, complete and presented concisely. The applications should demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The applications should take into account the technical evaluation criteria found in Section B.
- e. Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes must be initialed by the person signing the application. To facilitate the competitive review of the applications, USAID will consider only applications conforming to the format prescribed below.
- f. Unnecessarily Elaborate Applications - Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this RFA are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.
- g. Acknowledgement of Amendments to the RFA - Applicants shall acknowledge receipt of any amendment to this RFA by signing and returning the amendment. The Government must receive the acknowledgement by the time specified for receipt of applications.
- h. Submission of Applications:
 1. Applications and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the Cover Letter of this RFA, and (2) showing the time specified for receipt, the RFA number, and the name and address of the applicant.
 2. E-mail applications will not be considered.
- i. Preparation of Applications:
 1. Applicants are expected to review, understand, and comply with all aspects of this RFA. Failure to do so will be at the applicant's risk.
 2. Each applicant shall furnish the information required by this RFA. The applicant shall sign the application and print or type its name on the Cover Page of the technical and cost applications. Erasures or other changes must be initialed by the person signing the application. Applications signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

3. Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purposes, should:

(a) Mark the title page with the following legend:

"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a grant is awarded to this applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting grant. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets ; and

(b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

- j. Explanation to Prospective Applicants - Any prospective applicant desiring an explanation or interpretation of this RFA must request it in writing by July 3, 2002 to allow a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a Grant will not be binding. Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment of this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.
- k. Grant Award:
 1. The Government may award one or more Grants resulting from this RFA to the responsible applicant(s) whose application(s) conforming to this RFA offers the greatest value (see also Section B of this RFA). The Government may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application, (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received.
 2. The Government may award one or more Grant(s) on the basis of initial applications received, without discussions. Therefore, each initial application should contain the applicant's best terms from a cost and technical standpoint.
 3. A written award mailed or otherwise furnished to the successful applicant(s) within the time for acceptance specified either in the application(s) or in this RFA (whichever is later) shall result in a binding Grant without further action by either party. Before the application's specified expiration time, the Government may accept an application, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an application do not constitute a rejection or counteroffer by the Government.
 4. Neither financial data submitted with an application nor representations concerning facilities or financing, will form a part of the resulting Grant(s).
- l. Authority to Obligate the Government - The Grant Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Grant may be incurred before receipt of either a fully executed Grant or a specific, written authorization from the Grant Officer.

COST APPLICATION FORMAT

The Cost or Business Application is to be submitted under separate cover from the technical application. Certain documents are required to be submitted by an applicant in order for a Grant Officer to make a determination of

responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources.

The following sections describe the documentation that applicants for Assistance award must submit to USAID prior to award. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

- A. Include a budget with an accompanying budget narrative, which provides in detail the total costs for implementation of the program your organization is proposing. The budget should be submitted using Standard Form 424 and 424A which can be downloaded from the USAID web site, http://www.usaid.gov/procurement_bus_opp/procurement/forms/sf424/;
 - the breakdown of all costs associated with the program according to costs of, if applicable, headquarters, regional and/or country offices;
 - the breakdown of all costs according to each partner organization involved in the program;
 - the costs associated with external, expatriate technical assistance and those associated with local in-country technical assistance;
 - the breakdown of the financial and in-kind contributions of all organizations involved in implementing this Cooperative Agreement;
 - potential contributions of non-USAID or private commercial donors to this Cooperative Agreement;
 - your procurement plan for commodities (note that contraceptives and other health commodities will not be provided under this Cooperative Agreement).
- B. A current Negotiated Indirect Cost Rate Agreement;
- C. Required certifications and representations (as attached):
- D. Cost share has been recommended to be 25% of the total estimated amount. An explanation is needed if the applicant proposes a cost share of less than 25%.
- E. Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant agency shall also submit the following information:
 1. copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
 2. projected budget, cash flow and organizational chart;
 3. A copy of the organization's accounting manual.
- F. Applicants should submit any additional evidence of responsibility deemed necessary for the Grant Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:
 1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award.
 2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, nongovernmental and governmental.

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3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.
 4. Has a satisfactory record of integrity and business ethics; and
 5. Is otherwise qualified and eligible to receive a grant under applicable laws and regulations (e.g., EEO).
- G. Applicants that have never received a grant, cooperative agreement or contract from the U.S. Government are required to submit a copy of their accounting manual. If a copy has already been submitted to the U.S. Government, the applicant should advise which Federal Office has a copy.

TECHNICAL APPLICATION FORMAT

The technical application is the critical item of consideration in selection for award of this Cooperative Agreement. It should be specific, complete, and presented concisely. Section B addresses the technical evaluation of the application. All Applicants are advised that lack of completeness or superficiality of the application may constitute grounds for excluding it from consideration. The technical application must set forth in detail strategies, interim results, activities and indicators to best accomplish the stated Strategic Objective and Intermediate Results of the Program. This technical application is not to exceed 75 pages (**Font Times New Roman 12**), excluding curricula vitae and other attachments. However, the technical portion must be able to stand alone without the attachments.

SECTION B - SELECTION CRITERIA

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability. To the extent that they are necessary (if award is made based on initial applications), negotiations will then be conducted with all applicants whose application, after discussion and negotiation, has a reasonable chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered.

Awards will be made based on the ranking of proposals according to the technical selection criteria identified below.

1. Technical Approach: 35 Points

- Demonstrated understanding of and appreciation for the economic challenges and opportunities in rural areas, rural-urban dynamics, targeted sectors, growth poles, and overall development constraints and obstacles facing Lebanon.
- Strength and relevance of the proposed program, its activities and approaches, and their potential to succeed; commitment to activities that are achievable within the life of this award; and to results that are significant enough to warrant investment.
- Support of Government of Lebanon (GOL) and USAID/Lebanon policies and priorities for enhancing economic opportunities.
- Demonstrated ability to promote social, economic, and confessional diversity in all program elements, with adequate attention to gender issues.
- Ability to answer the following questions: At the end of three years, i.e., the award period, how will Lebanon be different as a result of your program? What difference it will it make in the lives of its beneficiaries and partners?

2. Partnership and Collaboration: 20 Points

- Commitment to collaborative planning and implementation.
- Experience in and commitment to creating viable linkages with all key partners engaged in designing and implementing the program, e.g., PVOs and NGOs, associations, universities, foundations, corporations, businesses, cooperatives, municipalities, communities, etc., particularly those that bring specific expertise, competitive advantages, and complementary experiences well-targeted and adapted to the proposed program.
- Ability to maximize and strengthen the full range of public-private partnerships in selected

locales and sectors; and to capitalize on relevant programs implemented through donor, NGO, government, or private resources.

3. Organizational Qualifications & Past Performance: 25 points

a. Qualifications:

- Appropriateness and capability of the organization to design and implement a broad-based, innovative, and integrated program.
- Demonstrated commitment to promoting economic opportunities in challenging contexts, as evidenced by organizational goals and past performance.
- Appropriateness and efficiency of the organizational structure, in the home office and in Lebanon, with clear roles and responsibilities for all aspects of financial and program management.
- Ability to begin activities in targeted growth poles within two months of signing the award.
- Quality and relevance of a three-year (October 2003 – September 2005) Implementation Plan, representing the duration of the program, with activity-level details for at least the first 18 months.

b. Past Performance:

All applicant organizations will be subject to past performance scrutiny. Applicants who are currently working, or have in the past worked on rural development, rural cluster, industry cluster, microfinance or other related activities in the Middle East shall submit a matrix as an attachment with names of all organizations both commercial and federal, from which they have received contracts or assistance awards for similar activities over the past three years along with award dollar amounts; description of their work; partner organizations or counterparts; results achieved; and other relevant information that will clarify the depth and breadth of their experience and involvement. Reference information must include addresses, current telephone numbers, current points of contact, award numbers if available. The Technical Review Committee will contact the names references and use the past performance data along with other information, to determine the applicants' responsibility.

Past performance includes demonstrated knowledge, capability, long-term experience with similar types of programs, past performance of organizational and management practices, and established procedures for managing subcontracts/subagreements with U.S. based and developing country institutions.

The Government will evaluate the relative merits of each applicant's past performance on the basis of its reputation with its former or current partners and others for the areas identified in section 3.a., above. Past performance will also be evaluated on the following characteristics:

- adherence to the terms and conditions of its contracts, or grants, including the technical, business, and administrative aspects of performance;
- demonstration of a commitment to partner satisfaction;
- demonstration of a commitment to Management for Results;
- pursuit of excellence in all aspects of its business;
- successful financial performance;
- ability to coordinate effectively with other relevant organizations; and
- past performance in Lebanon

4. Personnel: 10 points

- Appropriateness and expertise of personnel devoted to the program (should attach CVs and letters of commitment for proposed key personnel), focusing on
 - Demonstrated technical, managerial, and financial experience and competence in implementing similar types of programs;
 - High level experience in technical fields appropriate to proposed positions and roles;
 - Experience in coordinating diverse activities that produced significant results;
 - Demonstrated experience in the use of varied modalities (e.g., technical assistance, technology transfer, training, information dissemination) to transfer concepts and skills;
 - Experience in working with or knowledge of USAID-supported cooperating agencies, donors, USAID missions, and international counterpart organizations; as well as in similar contexts and countries. Past experience in Lebanon is desirable.

5. Performance Monitoring and Evaluation: 10 Points

Performance Management Plans (PMP) capable of

- monitoring the effectiveness and impact of the program;
- articulating the results to be achieved and changes to be effected, with indicators, baselines, and targets consistent with the relevant Intermediate Results (IRs), i.e., Enhanced Competitiveness and Growth of Targeted Sectors; Increased Rural and Industry Economic Opportunities; and Improved Access to Credit; and
- reflecting knowledge of USAID's unified PMP under its rural cluster program, recognizing that this system, and some of the indicators, may also be relevant for the proposed program.

Cost Proposal

The proposed costs and supporting budget data will be reviewed to determine: (1) if the financial plan reflects reasonable, allocable and allowable costs; and (2) if it reflects reasonable and realistic cost-sharing contributions, including those to be contributed by partner organizations and recipients.

SECTION C - PROGRAM DESCRIPTION

I. Background

A. Lebanon Today

Lebanon lives in challenging times. Just two years ago, in May 2000, the country was celebrating the withdrawal of Israeli forces from the south after 22 years of occupation and a devastating civil war. People were excited about resettling, reintegrating, and reviving the south, and bringing stability, security, and sovereignty to the entire country. These goals, however, proved short-lived when Lebanon disputed the U.N.'s "Blue Line" border with Israel, reviving the "resistance movement" and putting recovery on hold. September tragedies -- Jerusalem in 2000 and New York and Washington in 2001 -- saw the respective launching of the Palestinian *intifada* and the War on Terrorism. Both affected Lebanon profoundly, the latter landing Hizballah on America's list of global terrorists, putting considerable strain on Lebanon's relationship with the United States.

Even with the chance for peace on the horizon, the current situation makes it easy to question development assistance to Lebanon. South Lebanon, for example, remains not fully integrated, with periodic cross-border violations and confrontations; unsafe habitats riddled with mines; and minimal government presence and investment. The national economy is stagnant, with an alarming level of public debt whose servicing, along with the cost of government operations, consume an astounding 94% of the tax revenues. Political machinery, mired in religious and various other cleavages, often undermines nation-building and collective action for the common good, making "political will" hard to define and slowing reforms needed to put Lebanon on a sound footing.

But there is reason for optimism and no reason to jettison a future anchored in sustainable development. The reform-minded government of Prime Minister Hariri, in place since November 2000, is making good moves -- advocating economic growth and investment nationwide; promoting competitiveness and globalization with a Euro-Med Partnership and planned WTO accession; making 2002 the "Year of Privatization"; introducing key revenue-enhancing reforms and a value-added tax; supporting sound budget management, promoting good governance, and administrative and municipal reform. Anchoring them is a diverse Christian-Muslim-Druze population comprising one of the most educated, talented, entrepreneurial workforces in the Arab world, in a capital that has long served as a regional hub for business and banking, in a country that has long been a haven for travel and tourism. Equally significant are the estimated 16 million Lebanese around the world, five times the resident population. Many have maintained close ties with Lebanon and created vibrant social and economic networks, vital safety nets, and a pool of wealth that has kept the country afloat, especially during difficult times. This "second" or "shadow" economy is a prime ingredient in Lebanon's resilience.¹

B. USAID's Current Strategy: 1997-2002

Nearly five years ago, following a near shut-down of U.S. development assistance in Lebanon, the USG decided to revive its bilateral assistance program. Much of it was a reaction to the Israeli occupation and continued conflict in South Lebanon, as well as the widening and very apparent social and economic disparities, especially in rural areas. There was also growing recognition of Lebanon's role in building regional economic cooperation and achieving Middle East peace. The outcome: USAID put in place a five-year \$60 million strategy aimed at

- revitalizing and expanding economic opportunities in rural areas, through small-scale infrastructure and income-generating activities;
- promoting democracy and good governance, building capacity of local municipalities to plan and manage resources efficiently and transparently; and
- improving environmental practices, particularly community-based approaches that promote sustainable agriculture and environmental health.

¹ For a more comprehensive and historical view of social, political and economic conditions in Lebanon, see the U.S. Department of State's February 2002 "Background Note: Lebanon" at www.usembassy.gov.lb.

Over time four other activities were added: a WTO accession program to encourage trade and investment, globalization, and broad-based policy and legislative reform; an “industry cluster” program, to identify and promote productive sectors for investment; a water resource management program, to make agriculture more productive and ensure that water pricing is efficient and equitable; and a landmine action program, to make all Lebanese aware of hazardous areas and assist survivors in productive enterprises. From FY 2000-2002 USAID also benefited from an extra \$20 million annually in development assistance and \$30 million in proceeds USDA surplus commodity sales, bringing total resources for this period to over \$150 million.

Nearly five years later, having operated in an increasingly difficult development context, this strategy has proven to be sound and tailor-made to USAID’s strengths. Indeed, USAID has built a reputation as one of the top donor programs in Lebanon, viewed by many as one of the most responsive, expansive, resilient, targeted, high-performing, and quick-disbursing – though far from the largest. This can be attributed to the Mission’s 4 Ps: *purpose* -- promoting equitable, sustainable development in Lebanon over the long-term; its *products* -- demand-driven, people-focused, affordable, effective, appropriate, visible and accomplishable in the short-term; its *partners* – PVOs, NGOs, foundations, business associations, universities, and corporations -- who together, often in partnership with the public sector, form a multi-faceted, highly-talented, experienced group able to navigate effectively at the highest governmental, corporate, and diplomatic levels, as well as at the community level; and its *procedures* -- user-friendly, promoting extensive collaboration with all relevant public and private entities and, in contrast to most donor programs, channeling resources directly to implementing partners.

These “4 Ps” produced a number of significant achievements during this period. On the economic recovery and revitalization side, which is most relevant to this RFA:

- Approximately 150,000 families, roughly 70% of rural Lebanon and 30% of South Lebanon, benefited from over 1,300 small-scale infrastructure, income-generating, and environmental activities in over 400 villages representing 40 “clusters”, with communities and municipalities contributing 40% of the costs. This was carried out under USAID’s pioneering Rural Community Development Cluster (RCDC) program, which focuses on improving living standards among the rural poor.
- Over 38,000 clients operating 3,000 businesses nationwide benefited from nearly \$20 million of microenterprise loans and financial services, providing a boost to economic activity among Lebanon’s vibrant class of small entrepreneurs.
- The identification and promotion of “industry clusters” with high growth potential, specifically agri-business and light agro-industry, tourism, and information and communication technology (ICT). This effort has expanded active collaboration among industry stakeholders and launched a series of “growth and competitiveness” initiatives for the marketplace.²

Other accomplishments include stimulating economic policy reform as part of World Trade Organization (WTO) accession; strengthening governance and development planning among municipalities; promoting advocacy among NGOs and civil society organizations; improving solid waste and wastewater technologies in rural communities; raising awareness of landmines and helping mine survivors rebuild productive lives; and strengthening Lebanon’s American Educational Institutions, to name a few.³

The program has also created important spread effects. With a budget averaging \$15 million a year for the first three years, USAID leveraged another \$60 million of World Bank and European Union funding for rural community-based development activities in support of its rural cluster program. Lebanon’s RCDC activities have also become a model for other USAID programs intent on bringing economic opportunities and social services to disadvantaged communities, often in conflict or post-conflict settings -- the former Republic of Yugoslavia, the West Bank and Gaza, and Jordan.

² A comprehensive description of the RCDC program and all its activities, along with reports on all the industry clusters, are located on USAID/Lebanon’s website: www.usaidlebanon.org.lb.

³ For details of these and other accomplishments, see the “Performance Narrative” and Congressional Budget Justification Sections of USAID/Lebanon’s *FY 2002 Annual Report*, posted on www.usaidlebanon.org.lb.

In sum, while the USAID program had significant success during this period, it did not – nor did the sum-total of other larger donor programs and government investments -- reverse or even slow many of the negative trends in Lebanon’s development. Besides the macro-elements mentioned above, there remains unequal development of key economic sectors and geographic locales; excessive urban concentration and polarization around Beirut; huge disparities in income and quality of life, both rural and urban; and weak regional structures, whether economic, social or political. Many rural areas have lost their youth, elites and investors, minimizing the “carrying capacity” needed for economic take-off. The Lebanese Government, with its limited resources, continues to focus on infrastructure and service provision to Beirut and other urban coastal centers -- looking to donors to provide the “balance” in their development scenarios. USAID is well-placed to do this, and will continue redressing these imbalances by focusing on “engines of growth” embedded in the private sector, rural towns and communities, and a host of vibrant partnerships.

II. The Next Phase of USAID Assistance: 2003-2005⁴

USAID’s intention over the next three years is to build on its success, melding elements of the existing strategy into one that fuses expansion with integration; targets value-added and growth-oriented sectors, geographic areas, and reforms; and promotes economic and political governance in ways that will enhance Lebanon’s competitiveness as a regional and global player. Given the uncertainties in the current environment, USAID has no illusions that this next phase will result in a “prosperous Lebanon embarked on a path of sustainable development,” which is the long-term goal. However, the next three years will continue building a bridge to this goal, recognizing that the economy may stagnate and possibly deteriorate further. Planning assumptions do not anticipate conditions that would preclude expanding productive investment and economic activities in either urban or rural areas.⁵

USAID’s approach to helping Lebanon meet these challenges has six “anchors”:

1. A transition -- from alleviating poverty to creating economic opportunity
2. A focus -- on strengthening growth areas, both geographic and productive
3. A link -- between the rural and urban, inland and coastal
4. An emphasis -- on governance, reform, and sustainability
5. An added-value -- from synergies within the program
6. A reliance -- on new partnerships and models for economic growth

These anchors will cut-across six strategic areas: expanding economic opportunities, accelerating economic reform; strengthening foundations for governance; improving environmental policies and practices; promoting landmine awareness and victims assistance; and strengthening American Educational Institutions.

III. Expanding Economic Opportunities: The Focus of the RFA

A. Merging the Cluster and Credit Programs

The Lebanese need good jobs and incomes, not just in Beirut but in other cities, towns, and communities. Melding the two “cluster components” of the current program – rural development clusters and industry clusters – and ensuring that beneficiaries have access to credit, can help make this happen by integrating and promoting productive sectors and regions with the greatest potential for growth -- creating economies of scale and more robust impact. These sectors, which together comprise 35% of Lebanon’s GDP, are:

- Agribusiness and Light Agro-Industry -- from cultivation to processed foods, catering to “niche markets” for high-value fresh and processed foodstuffs, including dairy, to replace imports and

⁴ The USAID strategy for this next phase is in the final stages of approval and as such remains an internal document to USAID. Any details beyond what is indicated in this RFA will not be available to interested bidders.

⁵ These assumptions include, but are not limited to, the external and internal political and security situations; domestic and international economic performance; the status of South Lebanon; population dynamics, particularly rural-urban migration and emigration; and the state of the private sector.

expand exports. Lebanon's soil, water resources, and topography can support a wide range of crops not cultivable in neighboring countries; food processing plants exist in many areas. Also, growth in domestic supply for local and export markets can reduce Lebanon's large food deficit, currently \$1 billion annually in imports and only \$100 million in exports. This in turn will help stabilize and encourage the re-population of (or discourage out-migration from) rural areas, and create valuable rural-urban linkages.

- Tourism -- the best prospect for near-term growth. Lebanon's tourism sector is making steady gains, with tourist arrivals -- mainly from Arab countries -- 13% higher this past year, notably in cultural and historical tourism, ecotourism, and business travel. Hotels and other tourist establishments are continually coming on-stream, with \$2 billion of investment over the past decade. Growth in tourism will generate substantial employment opportunities particularly for women and disadvantaged groups, as well as badly needed exchange.⁶ Considerable opportunity exists to extend tourism activities to areas outside metropolitan Beirut.
- Information and Communication Technology (ICT) -- a relatively new industry, but one in which Lebanon is well-positioned for growth, both domestically and regionally. Lebanon's IT industry is relatively advanced technologically and competitive by regional standards; it can take advantage of the natural spread of ICT throughout the Middle East. ICT can also serve as a catalyst for linkages among different regions in Lebanon, as "value-added" for a wide range of economic activities. Overcoming the digital divide and providing relevant business and market information to rural areas can reduce their isolation and foster new income-generating activities in agribusiness, tourism, and other industries.

While merging the rural and industry cluster programs can, in theory, encompass any rural region in Lebanon that can support new economic opportunities in the three targeted sectors, USAID will place particular emphasis on those areas with a high potential for growth. These will include, but are not limited to, some or all of USAID's current rural clusters. What is key will be identifying, developing, and expanding "growth poles", i.e., those geographic areas that have the economic foundation (natural and human resources, technology, capital, infrastructure) to capitalize on these productive sectors; and that can serve as centers of growth for industry activities.

Beirut, for example, has always represented the core growth pole for Lebanon in its role as a regional center of finance, commerce and tourism. Before the civil war and Israeli occupation, certain economic activities -- agricultural production and food processing, but also tourism and trading -- were carried out in outlying regions. Beirut served as the Lebanese "hub," with other areas acting as "spokes." Two decades of internal conflict broke down this system, isolating Beirut from other regions whose infrastructure and factories were destroyed and business activity disrupted. Many firms relocated to greater Beirut, leaving the city congested and rural areas lacking human and capital resources. Just as some growth poles emerge naturally over time, others are established or expanded through concerted efforts of public and private sector stakeholders.

While in many ways Beirut remains Lebanon's "City-State", there is no question that growth potential exists beyond Beirut's borders. One could envision a secondary city or town, or even a "primary rural cluster", being a "hub" for a certain industries or activities, with other communities or clusters integrated as "spokes" in a production, processing, marketing, exporting, or service network. These growth poles would in turn be linked to key Beirut-based industries through collaborative initiatives engaging key partners. The objective is to achieve the absorption of labor in productive economic activities carried out

⁶ The World Tourism Organization estimates that Lebanon will need over 70,000 workers in the tourism industry by 2010, which will generate twice as many additional jobs across the economy.

by private sector firms. Firms and cooperatives of all sizes (micro, small, medium, and large scale) could participate in various initiatives.

It is likely that certain initiatives will encompass more than one region. This model -- regional hubs-with-spokes linked to key Beirut-based industries -- will stimulate rural-urban linkages and networks that promote balanced, equitable, sustainable development. In time, boundaries currently defining rural clusters will blur and disappear, replaced by initiatives driven by functional activities and market forces rather than by locale.

In addition to clusters, targeted sectors and geographic locales, stimulating economic growth in rural areas cannot happen without access to credit. USAID will support microfinance activities within the framework of this RFA, working with local lending institutions and financial intermediaries to enable small entrepreneurs and businesses in “growth poles” to invest in micro- and small enterprises that support – either directly or indirectly – these targeted industries. USAID will also explore and promote linkages to other NGO-based microcredit and microfinance institutions in Lebanon, as well as to commercial and government-sponsored small- and medium size credit programs.

B. Anticipated Results and Impact

The desired long-term impact of this program will be seen in two areas. First, from an industry perspective, by the next decade the three targeted industries, along with the up-stream suppliers and downstream customers in their industry clusters, will be dynamic, internationally competitive, and expanding on a sustainable basis. These sectors, along with other clusters such as financial/business services and high-end manufacturing (e.g., fashion apparel), will be engines of growth for employment, income, tax revenues and foreign exchange earnings.

Second, from a geographic standpoint, all rural “growth pole” regions in Lebanon will be integrated economically with Beirut and hopefully other coastal towns and cities. This will help maximize national economic potential, establish income-earning opportunities throughout the country, and reduce the imbalance of opportunities between Beirut and outlying rural areas. Spillover impacts will include increased fiscal stabilization from increases in tax revenues, along with decreased economically-induced sources of political instability. Excessive urbanization of the Beirut metropolitan area will slow; rural-urban linkages that favor balanced, equitable, and sustainable development will solidify.

Results over the short-term, i.e., the RFA period, will show stakeholders in each of the three targeted industries implementing integrated action plans and growth-oriented initiatives. Regional cluster and industry cluster stakeholders will be collaborating in developing rural-based income generating activities in targeted “growth poles”. The economic benefits (e.g., increased jobs, incomes, output, exports, investment, services) derived from these efforts will be relatively substantial, indicating that the transition from economic deterioration to growth is indeed viable.

C. Relationships with Other Strategic Objectives

USAID anticipates that these results, anchored in a broad-based network partnerships, relationships, and activities, will also reflect contributions from other elements of the program. This RFA, for example, encompasses three of five intermediate results (IRs) under USAID’s “Expanded Economic Opportunities” Strategic Objective (SO1):

1. Enhanced Competitiveness and Growth of Targeted Sectors;
2. Increased Rural and Industry Economic Opportunities; and
3. Improved Access to Credit.

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The other two IRs are “Improved Enabling Environment for Trade and Investment,” which is implemented mainly through the WTO accession program; and “Increased Security and Victims Assistance in Landmine-Affected Areas,” implemented through a specialized network of international and local NGOs.

This next phase will also advance existing activities in municipal capacity-building, governance, environmental protection, and water resource management through:

SO2: “Strengthened Foundations for Governance,” to (1) increase planning and management capabilities, and good governance, in municipalities nationwide; and (2) expand capacity and collaboration of municipalities to develop and promote economic opportunities.

SO3: “Improved Environmental Practices and Policies,” to (1) expand the number of communities using appropriate waste management and collaborative water management practices; and (2) enact appropriate water policies nationwide.

SO 1 represents the central component of the overall USAID strategy, since expanded economic opportunities lead directly to the Mission’s goal of improved foundations for Lebanese growth and stability. However, mutually supporting relationships exist among all three SOs, which have a direct bearing on success of each one. For example:

- Expanded economic opportunities (SO 1) will strengthen the foundations for governance (SO 2) by expanding the tax base and raising revenue streams to both municipal governments and the national government.
- Strengthened foundations for governance (SO 2) will enhance the potential for expanded economic opportunities (SO 1) by reducing constraints to productive activities and stimulating initiatives for government organizations to encourage new, income-generating activities.
- Expanded economic opportunities (SO 1) will expand the capacity of municipalities and communities to improve environmental policies and practices (SO 3) through increases in the revenue base, and recognition that sustainable agricultural and tourism activities require sound environmental practices.
- Improved environmental policies and practices (SO 3) support sustainable tourism and agricultural activities (SO 1), as noted above, and also improve the quality of life in targeted regions, which in turn will promote resettlement and deter out-migration.
- Strengthened foundations for governance (SO 2) will enhance the capability of both the national government and municipalities to improve environmental policies and practices (SO 3). Modern management information systems will aid in land use licensing and permitting, monitoring effluents, and adopting common standards.
- Improved environmental policies and practices (SO 3) represent a key function at all levels of government, and hence serve as a litmus test for strengthened foundations for governance (SO 2). Also, assuming that improved environmental practices will stimulate local economic opportunities (SO 1), municipalities will access additional tax revenues to support further investment and good governance.

IV. Parameters for the RFA

This Request for Applications (RFA) seeks applications from qualifying organizations with significant international experience for a Cooperative Agreement (CA) to implement the rural and industry cluster and credit components of USAID/Lebanon’s “Expanded Economic Opportunities” Strategic Objective (SO1). Subject to the availability of funds, USAID intends to award one or more CAs to implement this program over a 36-month period, beginning o/a October 1, 2002. Life of program funding is estimated at \$45 million. This CA is not intended to award profit, although all reasonable and allowable expenses related to the program may be paid under the CA.

Based on the information presented in Sections I-III of the Program Description, the organizations selected are expected to address the following:

Program Focus

USAID will fund rural and industry cluster and microfinance activities that develop the light agro-industry, agribusiness, tourism, and information/communication technology sectors in selected “growth poles” throughout Lebanon. Recipients should:

1. Articulate a vision for developing Lebanon’s rural economy over the long- and short-term, showing how it relates to achieving the relevant intermediate results under SO1. Discuss opportunities and challenges, and how strategies or tactics for implementing the program might change under various conditions.
2. Provide a clear rationale for the selection of growth poles, assessing their economic, social, political, ecological, confessional, and demographic characteristics, taking into account such factors as (a) the potential for developing targeted sectors; (b) USAID’s clusters and assets in rural areas; (c) targeted beneficiaries; (d) anticipated results and their significance; and (e) prospects for sustainability.
3. Discuss the range of activities, approaches, and partnerships that would be used to achieve desired results in the targeted growth poles and sectors, ensuring that gender issues are adequately addressed across all dimensions of the program. All activities should demonstrate reasonable prospects for sustainability of proposed benefits by the end of the CA period.
4. Indicate how microfinance activities will be used to enhance economic opportunities in the targeted growth poles and sectors, working with sustainable credit institutions that offer sustainable access to credit.

Illustrative Activities

While growth poles could be uni-dimensional in terms of productive sectors, crops, processing and marketing facilities, historical attractions, internet services, or numerous other activities, maximizing their economic potential, particularly their capacity to create economies of scale, might warrant a multi-dimensional, integrated set of activities. Thus, the following illustrative activities, while relevant to particular sectors, should not be viewed as a prescription or vision for creating growth poles.

Agribusiness and agro-industry activities could include, for example, establishing effective “rules of engagement” between growers and cooperatives, and traders, retailers and processors; revitalizing or creating domestic cooperatives as supply sources for food processors (dairy included) and markets; introducing high-value food crops and forage varieties; providing market information systems and linkages to export facilities; creating awareness of agricultural policies and globalization; conducting training on standards, processing technologies, and advanced cultivation and harvesting techniques; revitalizing central markets; and promoting low-cost technologies and renewable energy sources for food production and processing.

Tourism activities could include identifying and developing historical, cultural, and ecotourism attractions; extending tourism to remote areas; establishing “packages” of attractions in growth poles; developing day trips and overnight packages with tour agencies, and nontraditional lodging facilities (e.g., beds and breakfasts, campsites) in rural areas; identifying crafts and food products that can be sold to domestic and foreign tourists; establishing tourism information centers and promoting tourism marketing; expanding domestic supply of goods and services to major hotel facilities; and nurturing strategic alliances to extend tourist stayovers.

Information and Communication Technology (ICT) activities could include using ICT services to promote agro-industry and tourism; establishing ICT hookups in rural areas, along

with community-focused education and training activities; expanding relationships between industry and universities to improve the quantity and quality of ICT graduates; developing incubators for ICT start-ups; expanding strategic alliances between Lebanese and U.S. ICT firms; promoting Lebanon as a source of ICT services within the region; and providing assistance on ICT-related policy, legal, and regulatory reform.

Start-Up and Implementation

It is expected that the recipient will begin activities in targeted growth poles within two months of signing the CA. Given USAID's experience, knowledge base, results and lessons gained from implementing rural cluster, industry cluster, and microfinance programs under the current program, it is expected that any additional needs assessments, surveys and studies – beyond those furnished as part of the RFA -- will be minimal.

Recipients should furnish a three-year Implementation Plan, representing the duration of the program, with activity-level details for at least the first 18 months. The Plan should contain a clear set of phases, each of which has realistic and achievable, results. It should also specify contributions to be provided by the applicant, beneficiaries, the government, the private sector, and any other partners. Reporting requirements, to be worked out with USAID, will include semi-annual reports with quantifiable results and textual analysis of program implementation.

Staffing and Management

With the possible exception of senior personnel and some finance and administrative personnel, the staff proposed for this program should be dedicated to it full time. The Recipient will be expected to manage the program from Beirut and perform extensive field monitoring. However, since proximity to those towns, communities and villages being served is fundamental to the effectiveness of the program, applicants should consider decentralizing their operations with “antennae” in the growth poles; and using qualified staff, partners, and other resources from those areas.

Performance Monitoring

Applicants should furnish a Performance Monitoring Plan (PMP) that clearly articulates the results to be achieved and changes to be effected. The PMP should establish indicators, baselines, and targets consistent with the relevant Intermediate Results (IRs), i.e., Enhanced Competitiveness and Growth of Targeted Sectors; Increased Rural and Industry Economic Opportunities; and Improved Access to Credit..

PMPs should reflect opportunities for periodic rapid appraisals (or other suitable methodologies) of activities or sectors, to ensure the program is on-track and profiting from lessons learned. Applicants should also consider assessing program effectiveness, potential for sustainability, and possible follow-on phases midway through Year 3.

USAID is currently implementing a comprehensive unified PMP under its rural cluster program, some of the indicators of which may be relevant for the proposed program. Recipients will be expected to formulate a comparable system for monitoring results.

Construction

USAID has considerable experience in the construction of small-scale infrastructure projects under the current RCDC (“rural cluster”) program. Applicants should consider construction as a means to an end, not an end in itself. Any construction undertaken in this next phase should continue to be small-scale and be based on the contribution it makes to advancing economic opportunities in one or more of the targeted sectors. Also, to stimulate job opportunities in growth poles, local materials, supplies, labor and contractors should be used wherever practical.

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USAID Oversight

USAID involvement during the course of the award(s) will include approval of all key personnel, and implementation plan(s), performance monitoring plans, and reporting procedures.

SECTION D

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT [1][2]

PART I - CERTIFICATIONS AND ASSURANCES

1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

- (a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the grant for which application is being made, it will comply with the requirements of:
- (1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;
 - (2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;
 - (3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;
 - (4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and
 - (5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.
- (b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.
- (c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

(a) Instructions for Certification

- (1) By signing and/or submitting this application or grant, the recipient is providing the certification set out below.
- (2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the grant. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
- (3) For recipients other than individuals, Alternate I applies.
- (4) For recipients who are individuals, Alternate II applies.

(b) Certification Regarding Drug-Free Workplace Requirements

Alternate I

- (1) The recipient certifies that it will provide a drug-free workplace by:
 - (A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (B) Establishing a drug-free awareness program to inform employees about--
 1. The dangers of drug abuse in the workplace;
 2. The recipient's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (C) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (b)(1)(A);
 - (D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the grant, the employee will--
 1. Abide by the terms of the statement; and
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - (E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1. from an employee or otherwise receiving actual notice of such conviction;
 - (F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or
2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(G) Making a good faith effort to continue to maintain a drug- free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

- (2) The recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Alternate II

The recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS [3]

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. [4] You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
 6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
 7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," [5] provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
 8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
 9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.
 10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
- (b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions
- (1) The prospective primary participant certifies to the best of its knowledge and belief, the it and its principals:
 - (A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

4. CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

5. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)

USAID reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [Grantee/ Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certification are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

6. CERTIFICATION OF RECIPIENT

The recipient certifies that it has reviewed and is familiar with the proposed grant format and the regulations applicable thereto, and that it agrees to comply with all such regulations, except as noted below (use a continuation page as necessary):

Solicitation No. _____

Application/Proposal No. _____

Date of Application/Proposal _____

Name of Recipient _____

Typed Name and Title _____

Signature _____ Date _____

[1] FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) [2] When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". [3] The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. [4] See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. [5] For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

PART II - OTHER STATEMENTS OF RECIPIENT

1. AUTHORIZED INDIVIDUALS

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

Name	Title	Telephone No.	Facsimile No.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. TAXPAYER IDENTIFICATION NUMBER (TIN)

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN: _____

3. CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@dbisma.com.

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: _____

4. LETTER OF CREDIT (LOC) NUMBER

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: _____

5. PROCUREMENT INFORMATION

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:

\$ _____

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

TYPE/DESCRIPTION (Generic) COST	QUANTITY	ESTIMATED UNIT COST
------------------------------------	----------	------------------------

(d) Source, Origin, and Componentry of Goods. If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, and/or does not contain at least 50% componentry which are not at least 50% U.S. source and origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin, to include the probable source and/or origin of the components if less than 50% U.S. components will be contained in the commodity. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

TYPE/DESCRIPTION GOODS (Generic) COMPONENTS	QUANTITY PROBABLE ORIGIN	ESTIMATED UNIT COST	GOODS COMPONENTS	PROBABLE SOURCE
--	--------------------------------	------------------------	---------------------	--------------------

(e) Restricted Goods. If the recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

TYPE/DESCRIPTION USE	QUANTITY	ESTIMATED UNIT COST	PROBABLE SOURCE	PROBABLE ORIGIN	INTENDED
(Generic)					

(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country is ineligible for USAID financing.

TYPE/DESCRIPTION NATIONALITY	QUANTITY	ESTIMATED UNIT COST	PROBABLE SLUPPIER
(Generic) for NON-US			(Non-US Only)

(g) Proposed Disposition. If the recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

TYPE/DESCRIPTION(Generic) DISPOSITION	QUANTITY	ESTIMATED UNIT COST	PROPOSED

6. PAST PERFORMANCE REFERENCES

On a continuation page, please provide a list of the ten most current U.S. Government and/or privately-funded contracts, grants, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person.

7. TYPE OF ORGANIZATION

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as ☐ a corporation incorporated under the laws of the State of, ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a state or local governmental organization, ☐ a private college or university, ☐ a public college or university, ☐ an international organization, or ☐ a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as ☐ a corporation organized under the laws of _____ (country), ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a nongovernmental educational institution, ☐ a governmental organization, ☐ an international organization, or ☐ a joint venture.

8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

Attachment A

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND
VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. 1/ You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," 2/ without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with

which this transaction originated may pursue available remedies, including suspension and/or debarment.

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No. _____

Application/Proposal No. _____

Date of Application/Proposal _____

Name of Applicant/Subgrantee _____

Typed Name and Title _____

Signature _____

1/ See ADS Chapter 303, 22 CFR 208.

2/ For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID grant standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID grant standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).

**KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES
AND DRUG TRAFFICKING**

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.
2. I am not and have not been an illicit trafficker in any such drug or controlled substance.
3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: _____

Date: _____

Name: _____

Title/Position: _____

Organization: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.
2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

PARTICIPANT CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: _____

Name: _____

Date: _____

Address: _____

Date of Birth: _____

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. See ADS Chapter E303.5.6a, 22 CFR 208, Annex 1, App A. For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

SECTION E

Mandatory Standard Provisions for U.S., Nongovernmental Recipients

- | | |
|--------------------------------|---|
| 1. Applicability of 22 CFR 226 | 6. Amendment |
| 2. Ineligible Countries | 7. Notices |
| 3. Nondiscrimination | 8. Subagreements |
| 4. Investment Promotion | 9. OMB Approval Under the Paperwork
Reduction Act |
| 5. Nonliability | 10. USAID Eligibility Rules for
Goods and Services |

1. APPLICABILITY OF 22 CFR PART 226 (April 1998)

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with entities which fall outside of the definition of "Recipient" (such as Non-US organizations) the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees" except for the "Accounting, Audit and Records" Standard Provision. Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133 and shall insert an appropriate provision on accounting, audit and records.

2. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

3. NONDISCRIMINATION (MAY 1986)

(This provision is applicable when work under the grant is performed in the U.S. or when employees are recruited in the U.S.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

4. INVESTMENT PROMOTION (January 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area

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where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subagreements.

5. NONLIABILITY (NOVEMBER 1985)

USAID does not assume liability for any third party claims for damages arising out of this award.

6. AMENDMENT (NOVEMBER 1985)

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

7. NOTICES (NOVEMBER 1985)

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

8. SUBAGREEMENTS (June 1999)

Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

9. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (April 1998)

Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 11/30/2000. Identification of the Standard Provision containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are set forth below.

Standard Provision		Burden Estimate
Air Travel and Transportation		1 (hour)
Ocean Shipment of Goods	.5	
Patent Rights		.5
Publications		.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1	

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Voluntary Population Planning	.5	
Protection of the Individual as a Research Subject	1	
22 CFR 226		Burden Estimate
22 CFR 226.40-.49 Procurement of Goods and Services	1	
22 CFR 226.30 - .36 Property Standards	1.5	

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

10. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (April 1998)

(This provision is not applicable to goods or services which the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

(a) Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with a copy of these lists upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Used equipment,
- (vi) U.S. Government-owned excess property, or
- (vii) Fertilizer.

Prior approval will be deemed to have been met when:

- (i) the item is of US source/origin;
- (ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and

(iii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

(1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:

(i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) USAID Geographic Code 941, and
- (D) USAID Geographic Code 935.

(ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Compelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized

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geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941), and
- (4) "Special Free World" countries (USAID Geographic Code 899).

(d) If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all subagreements which include procurement of goods or services which total over \$5,000.

(END OF STANDARD PROVISION)

SECTION F

Mandatory Standard Provisions for U.S., Nongovernmental Recipients When Activities Are Undertaken Outside the U.S.

- | | |
|-------------------------------------|------------------------------|
| 11. Regulations Governing Employees | 14. International Air Travel |
| 12. Conversion of US dollars to | and Transportation |
| Local Currency | 15. Ocean Shipment of Goods |
| 13. Use of Pouch Facilities | 16. Local Procurement |

11. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)

(The following applies to the recipient's employees working in the cooperating country under the agreement who are not citizens of the cooperating country.)

- (a) The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- (b) The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission, including the rules contained in 22 CFR Part 136, except as this may conflict with host government regulations.
- (c) Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- (d) The recipient's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (e) In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved and shall recommend to the recipient a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, either under (e) or (f) above, that the services of such employee should be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

12. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but

is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

13. USE OF POUCH FACILITIES (AUGUST 1992)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

Name of individual or organization (followed by
letter symbol "G")
City Name of post (USAID/_____)
Agency for International Development
Washington, D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

(b) The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

14. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)

(This provision is applicable when costs for international travel or transportation will be paid for with USAID funds. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

(a) PRIOR BUDGET APPROVAL

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In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

(i) the primary purpose of the trip is to work with USAID Mission personnel, or

(ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

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Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the grantee.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS.

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

(END OF STANDARD PROVISION)

15. OCEAN SHIPMENT OF GOODS (JUNE 1999)

(This provision is applicable for awards and subawards for \$100,000 or more and when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.)

(a) At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit

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of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the USAID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, DC 20590, and

U.S. Agency for International Development,
Office of Procurement, Transportation Division
1300 Pennsylvania Avenue, N.W.
Washington, DC 20523-7900

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(f) Shipments financed under this grant must meet applicable eligibility requirements set out in 22 CFR 228.21.

16. LOCAL PROCUREMENT (April 1998)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional Services Contracts estimated not to exceed \$250,000.

(4) Construction Services Contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

- collection;
- (i) Utilities including fuel for heating and cooking, waste disposal and trash collection;
 - (ii) Communications - telephone, telex, fax, postal and courier services;
 - (iii) Rental costs for housing and office space;
 - (iv) Petroleum, oils and lubricants for operating vehicles and equipment;
 - (v) Newspapers, periodicals and books published in the cooperating country;
 - (vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.
- (c) The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.
- (d) This provision will be included in all subagreements where local procurement of goods or services is a supported element.
- (END OF STANDARD PROVISION)

SECTION G

**Required As Applicable
Standard Provisions for
U.S., Nongovernmental Recipients**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS 303.5.3. Check off the standard provisions which are included in the award.

- | | | |
|-----|--|-------|
| 1. | Negotiated Indirect Cost Rates - Predetermined | _____ |
| 2. | Negotiated Indirect Cost Rates - Provisional (Nonprofits) | _____ |
| 3. | Negotiated Indirect Cost Rates - Provisional (For-profits) | _____ |
| 4. | Publications and Media Releases | _____ |
| 5. | Participant Training | _____ |
| 6. | Voluntary Population Planning | _____ |
| 7. | Protection of the Individual as a Research Subject | _____ |
| 8. | Care of Laboratory Animals | _____ |
| 9. | Title to and Care of Property (Cooperating Country Title) | _____ |
| 10. | Public Notice | _____ |
| 11. | Communications Products | _____ |
| 12. | Cost Share | _____ |
| 13. | Prohibition of Assistance to Drug Traffickers | _____ |

(INCLUDE THIS PAGE IN THE AWARD)

1. NEGOTIATED INDIRECT COST RATES - PREDETERMINED (April 1998)

(This provision is applicable to educational or nonprofit institutions whose indirect cost rates under this award are on a predetermined basis.)

- (a) The allowable indirect costs shall be determined by applying the predetermined indirect cost rates to the bases specified in the schedule of this award.
- (b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed predetermined indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, the proposed predetermined indirect cost rates, and supporting cost data to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rates shall begin soon after receipt of the recipient's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- (d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon predetermined rates, (2) the bases to which the rates apply, (3) the fiscal year for

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which the rates apply, and (4) the specific items treated as direct costs. The indirect cost rate agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of predetermined indirect costs rates for any fiscal year, the recipient shall be reimbursed either at the rates fixed for the previous fiscal year or at billing rates acceptable to the USAID Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

2. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (April 1998)

(This provision is applicable to any nonprofit organizations whose indirect cost rates under this award are on a provisional basis.)

(a) Provisional indirect cost rates shall be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.

(b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of final indirect cost rate(s) for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

(f) Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.
(END OF STANDARD PROVISION)

3. NEGOTIATED INDIRECT COST RATE - PROVISIONAL (Profit) (April 1998)

(This provision applies to for-profit organizations whose indirect cost rates under this award are on a provisional basis.)

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- (a) Provisional indirect cost rates shall be established for the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of this award. Indirect cost rates and the appropriate bases shall be established in accordance with FAR Subpart 42.7.
- (b) Within six months after the close of the recipient's fiscal year, the recipient shall submit to the cognizant agency for audit the proposed final indirect cost rates and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit three copies of the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- (d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.
- (e) Pending establishment of final indirect cost rates for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.
- (f) Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

(END OF STANDARD PROVISION)

4. PUBLICATIONS AND MEDIA RELEASES (JUNE 1999)

(This provision is applicable when publications are financed under the award.)

- (a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of _____, Bureau for _____, U.S. Agency for International Development, under the terms of Award No. _____. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

- (b) Unless the recipient is instructed otherwise by the Cognizant Technical Officer, publications, videos or other information/media products funded under this award and intended for general readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the

bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

USAID Development Experience Clearinghouse (DEC)
ATTN: Document Acquisitions
1611 Kent Street, Suite 200
Arlington, VA 22209-2111
Internet e-mail address: docsuubmit@dec.cdie.org
Homepage: <http://www.dec.org>

Electronic documents may be submitted on 3.5" diskettes or as e-mail attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a hard copy should be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF).

Each document submitted to PPC/CDIE/DIO should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(d) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(e) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

5. PARTICIPANT TRAINING (April 1998)

(This provision is applicable when any participant training is financed under the award.)

(a) Definition: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.

(b) Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training, except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Office of International Training.

(c) Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture

orientation and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through R&D/OIT.

(END OF STANDARD PROVISION)

6. VOLUNTARY POPULATION PLANNING (MARCH 1999)

(This provision is applicable to all awards involving any aspect of voluntary population planning activities.)

(a) Voluntary Participation and Family Planning Methods:

(1) The recipient agrees to take any steps necessary to ensure that funds made available under this award will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the recipient agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Requirements for Voluntary Family Planning Projects

A Family planning project must comply with the requirements of this paragraph.

(1) A project is a discrete activity through which a governmental or nongovernmental organization provides family planning services to people and for which Development Assistance funds, or goods or services financed with such funds, are provided under this award, except funds solely for the participation of personnel in short-term, widely attended training conferences or programs.

(2) Service providers and referral agents in the project shall not implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. Quantitative estimates or indicators of the number of births, acceptors, and acceptors of a particular method that are used for the purpose of budgeting, planning, or reporting with respect to the project are not quotas or targets under this paragraph, unless service providers or referral agents in the project are required to achieve the estimates or indicators.

(3) The project shall not include the payment of incentives, bribes, gratuities or financial rewards to (i) any individual in exchange for becoming a family planning acceptor or (ii) any personnel performing functions under the project for achieving a numerical quota or target of total number of births, number of family planning acceptors, or acceptors of a particular method of contraception. This restriction applies to salaries or payments paid or made to personnel performing functions under the project if the amount of the salary or payment increases or decreases based on a predetermined number of births, number of

family planning acceptors, or number of acceptors of a particular method of contraception that the personnel affect or achieve.

- (4) No person shall be denied any right or benefit, including the right of access to participate in any program of general welfare or health care, based on the person's decision not to accept family planning services offered by the project.
 - (5) The project shall provide family planning acceptors comprehensible information about the health benefits and risks of the methods chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method. This requirement may be satisfied by providing information in accordance with the medical practices and standards and health conditions in the country where the project is conducted through counseling, brochures, posters, or package inserts.
 - (6) The project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits.
 - (7) With respect to projects for which USAID provides, or finances the contribution of, contraceptive commodities or technical services and for which there is no subaward or contract under paragraph (e) of this clause, the organization implementing a project for which such assistance is provided shall agree that the project will comply with the requirements of this paragraph while using such commodities or receiving such services.
 - i) The recipient shall notify USAID when it learns about an alleged violation in a project of the requirements of subparagraphs (3), (4), (5) or (7) of this paragraph;
 - ii) the recipient shall investigate and take appropriate corrective action, if necessary, when it learns about an alleged violation in a project of subparagraph (6) of this paragraph and shall notify USAID about violations in a project affecting a number of people over a period of time that indicate there is a systemic problem in the project.
 - iii) The recipient shall provide USAID such additional information about violations as USAID may request.
- (c) Additional Requirements for Voluntary Sterilization Programs
- (1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.
 - (2) The recipient shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this award are performed only after the individual has voluntarily appeared at the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.
 - (3) Further, the recipient shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which

explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of this oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall speak the same language as the patient.

(4) The recipient must retain copies of informed consent forms and certification documents for each voluntary sterilization procedure must be retained by the recipient for a period of three years after performance of the sterilization procedure.

(d) Prohibition on Abortion-Related Activities:

(1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to women to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for abortion.

(2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

(e) Requirement for Subawards

The recipient shall insert this provision in all subsequent subawards and contracts involving family planning or population activities which will be supported in whole or part from funds under this award.

(END OF STANDARD PROVISION)

7. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (April 1998)

(This provision is applicable when human subjects are involved in research financed by the award.)

(a) Safeguarding the rights and welfare of human subjects involved in research supported by USAID is the responsibility of the organization to which support is awarded. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (the "Policy"). Additional interpretation, procedures, and implementation guidance of the Policy are found in USAID General Notice entitled "Procedures for the Protection of Human Subjects in Research Supported by USAID", issued April 19, 1995, as from time to time amended. USAID's Cognizant Human Subjects Officer (CHSO) in AID/W has oversight, guidance, and interpretation responsibility for the Policy.

(b) Recipient organizations must comply with USAID policy when humans are the subject of research, as defined in 22 CFR 225.102(d), funded by the grant and recipients must provide "assurance", as required by 22 CFR 225.103, that they follow and abide by the procedures in the Policy. See also Section 5 of the April 19, 1995, USAID General Notice which sets forth

activities to which the Policy is applicable. The existence of a bona fide, applicable assurance approved by the Department of Health and Human Services (HHS) such as the "multiple project assurance" (MPA) will satisfy this requirement. Alternatively, organizations can provide an acceptable written assurance to USAID as described in 22 CFR 225.103. Such assurances must be determined by the CHSO to be acceptable prior to any applicable research being initiated or conducted under the award. In some limited instances outside the U.S., alternative systems for the protection of human subjects may be used provided they are deemed "at least equivalent" to those outlined in Part 225 (See 22 CFR 225.101[h]). Criteria and procedures for making this determination are described in the General Notice cited in the preceding paragraph.

(c) Since the welfare of the research subject is a matter of concern to USAID as well as to the organization, USAID staff consultants and advisory groups may independently review and inspect research and research processes and procedures involving human subjects, and based on such findings, the CHSO may prohibit research which presents unacceptable hazards or otherwise fails to comply with USAID procedures. Informed consent documents must include the stipulation that the subject's records may be subject to such review.

(END OF STANDARD PROVISION)

8. CARE OF LABORATORY ANIMALS (NOVEMBER 1985)

(This provision is applicable when laboratory animals are involved in research performed in the U.S. and financed by the award.)

(a) Before undertaking performance of any grant involving the use of laboratory animals, the recipient shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The recipient shall furnish evidence of such registration to the Agreement Officer.

(b) The recipient shall acquire animals used in research under this award only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.

(c) In the care of any live animals used or intended for use in the performance of this grant, the recipient shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in a. above. In case of conflict between standards, the higher standard shall be used. The recipient's reports on portions of the award in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The recipient may request registration of the recipient's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the recipient's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contacting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

**9. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)
(NOVEMBER 1985)**

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating country government may designate.)

(a) Except as modified by the schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.

(c) The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."

(ii) The price of each item of property acquired or furnished under this award.

(iii) The location of each item of property acquired or furnished under this award.

(iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the award.

(vi) Date of order and receipt of any item acquired or furnished under the award.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:

- (i) disclosure of need for and the performance of preventive maintenance,
- (ii) disclosure and reporting of need for capital type rehabilitation, and
- (iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss:

(1) The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;

(vi) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

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(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

(2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that USAID may have required the recipient to carry such insurance under any other provision of this award.

(3) Upon the happening of loss or destruction of or damage to the cooperating country property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the Agreement Officer a statement of:

(i) The lost, destroyed, or damaged cooperating country property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the cooperating country property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The recipient shall make repairs and renovations of the damaged cooperating country property or take such other action as the Agreement Officer directs.

(5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse USAID, as directed by the Agreement Officer. The recipient shall do nothing to prejudice USAID's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Agreement Officer, shall, at the Government's expense, furnish to USAID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: USAID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit to the Agreement Officer an inventory schedule covering all items of equipment, materials and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

10. PUBLIC NOTICES (AUGUST 1992)

(This provision is applicable when the cognizant Activity Manager or SO Team determines that the award is of public interest and requests that the provision be included in the award.)

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

The recipient may call on USAID's Office of External Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the cognizant technical officer and to USAID's Office of External Affairs as far in advance of release as possible.

(END OF STANDARD PROVISION)

11. COMMUNICATIONS PRODUCTS (October 1994)

This provision shall be included in every award over \$25,000.

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

(End of Standard Provision)

12. COST SHARING (MATCHING) (April 1998)

(This provision, along with 22 CFR 226., is applicable when the recipient has agreed or is required to cost share or provide a matching share.)

(a) If at the end of any year (or funding period) hereunder, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the difference may be applied to reduce the amount of USAID incremental funding the following year (or funding period), or, if the award has expired or has been terminated, the difference shall be refunded to USAID.

(b) The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

(END OF STANDARD PROVISION)

13. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)

(This provision is applicable where performance of the award will take place in "Covered" Countries, as described in ADS 206 (see 206.5.3))

a) USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

b) (1) For any loan over \$1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

c) (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (i) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or joint selection by USAID and another party is not designation.

2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

"The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

(END OF STANDARD PROVISION)

